

**SBA News and Views** is a monthly publication of the SBA Wisconsin District Office. Its purpose is to provide Wisconsin lenders and small business leaders with up-to-date information on SBA programs and small business issues. It is distributed at no cost, and the reprinting of articles is encouraged

## *Serving America's Small Businesses*

### U.S. Small Business Administration Wisconsin District Office

Eric Ness, District Director  
September 2007

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SBA Home Page  
<http://www.sba.gov>

Wisconsin SBA Home Page  
[www.sba.gov/localresources/district/  
wi/index.html](http://www.sba.gov/localresources/district/wi/index.html)

Editor: Jan Nienow  
[janice.nienow@sba.gov](mailto:janice.nienow@sba.gov)

### **SBA Scores Federal Small Business Procurement Efforts**

#### **Seven of 24 Federal Agencies Meet Small Business Contracting Goals**

In an effort to increase the transparency and accountability in small business contracting, the U.S. Small Business Administration (SBA) released its first-ever Small Business Procurement Scorecard. The Scorecard will help agencies measure their achievements and progress in making contracting opportunities available to small businesses, improve the accuracy of contracting data regarding small businesses, and provide the public the opportunity to assess agencies' performance in meeting these goals.

Seven federal agencies; the Departments of Agriculture, Energy, Homeland Security, Housing and Urban Development, Transportation, Veterans Affairs, and SBA itself, met their small business contracting goals.

"SBA's and the agencies' commitment to small business contracting results is unprecedented," said Clay Johnson, Deputy Director for Management at the Office of Management and Budget. "With clear, outcome-oriented goals, clear, realistically aggressive plans to achieve them, clearly defined accountability, and frequent tracking of performance, SBA and the agencies are saying they want to be held most publicly accountable for contracting with small business at desired levels."

SBA's Scorecard builds on a series of administration initiatives to improve small business access to federal contracts. At the request of the White House's Office of Federal Procurement Policy and SBA, federal agencies spent months reviewing 11 million contract actions from the last two years to cleanse the database of

miscoded contracts. On June 30, federal regulations were changed. Contracts awarded to small companies acquired by large corporations will no longer count towards federal agency small business goals – even if the acquisition took place before the rule change.

"These changes – increased accuracy, transparency and accountability – provide a real window opportunity for America's small businesses," said SBA Administrator Steve Preston. "Almost \$5 billion in misreported contracts have been cleaned out of the small business database. To meet their goals in 2007 and beyond, federal agencies know they will have to place more new contracts with small businesses. SBA is also increasing its staff and technical assistance to help our federal partners meet their contracting needs."

#### **Small Business Goaling Report**

After working with federal agencies to identify miscoding and anomalies in the contracting database, SBA released the annual Small Business Goaling Report for FY 2006, and revised the FY 2005 report. The Goaling Report shows that \$77.7 billion in federal contracts were awarded to small businesses in FY 2006, up \$2.7 billion from the previous year. The revisions reduce the share of contracts awarded to small businesses in 2005, \$4.6 billion from the previously reported 25.4 percent to 23.4 percent. For 2006, the figure is 22.8 percent, just short of the small business procurement goal established by law at 23 percent.

Administrator Preston cited the progress federal agencies have made towards meeting the five targeted sub-categories for small businesses procurement, as an example of what can be accomplished when agencies track progress towards small business goals.

"While only the target for small disadvantaged business has been met so far, Preston said, "SBA is encouraged by the real gains made in every category in

2006.” Contracts to companies owned by service-businesses increased by a billion dollars, contracts to 8(a) companies rose by \$700 million; contracts to HUBZone companies were up \$1 billion. “We still have more to do to reach our targets,” Preston said, “but these are accomplishments that our federal partners can be proud of.”

#### About the Scorecard

SBA rates 24 agencies green, yellow or red, both on whether they reached their annual small business contracting goals and on their progress on efforts to make contracting opportunities available to small businesses. To achieve a green rating, a federal agency has to meet its overall small business-contracting goal, as well as the goal for at least three or four subcategories. For their current status, seven agencies were rated green, five yellow, and 12 were red. In the second category, under “progress,” 12 agencies were rated green, eight were yellow, and four were red.

Each federal agency has a different small business-contracting goal, determined annually in consultation with SBA. SBA ensures that the sum total of all of the goals exceeds the 23 percent target established by law. The Scorecard will be updated every six months and is publicly available on the SBA website at [www.sba.gov](http://www.sba.gov).

“Small businesses play an important part in growing our nation’s economy, and this Scorecard will help the agencies achieve contracting results that will keep our small businesses strong,” said Administrator Paul Denett of the Office of Federal Procurement Policy (OFPP). “This new tool, along with better data in the goaling reports, will enable us to identify where we are strong and where we need to improve.

With more than 5.5 million contracting actions each year, miscoding and errors will not be completely eliminated from the contracting database. By publicizing the reports and providing new tools to facilitate public review of the database, SBA and OFPP will enlist affected businesses and other stakeholders in the effort to continuously improve the accuracy and integrity of the procurement data.

The goaling reports released by SBA are available at <http://www.sba.gov/aboutsba/sbaprograms/goals/index.html>.

## Wisconsin Disaster Recovery

### Presidential Disaster Declaration Severe Storms/Flooding Occurred August 18-31, 2007

Following the announcement of the Presidential disaster declaration in Wisconsin covering several counties because of severe storms and flooding, Administrator Steven Preston of the U.S. Small Business Administration issued the following statement:

“We look forward to working with the State of Wisconsin to make low-interest federal disaster loans available to homeowners, renters and businesses.” “We will be swift in our efforts, along with our partners at the Federal Emergency Management Agency, to help Wisconsin disaster victims rebuild their homes and businesses.”

The declared counties of Crawford, La Crosse, Richland, Sauk and Vernon are eligible to apply for Physical and Economic Injury Disaster Loans (EIDLs), and the contiguous counties of Adams, Columbia, Dane, Grant, Iowa, Jackson, Juneau, Monroe and Trempealeau in the State of Wisconsin contiguous counties of Allamakee and Clayton in the State of Iowa; and contiguous counties of Houston and Winona in the State of Minnesota are only eligible to apply for SBA Economic Injury Disaster Loans (EIDLs).

Disaster loans up to \$200,000 are available to homeowners to repair or replace damaged or destroyed real estate. Homeowners and renters are eligible up to \$40,000 to repair or replace damaged or destroyed personal property.

Businesses of any size and private non-profit organizations may borrow up to \$1.5 million to repair or replace damaged or destroyed real estate, machinery and equipment, inventory, and other business assets. SBA can also lend additional funds to help with the cost of making improvements that protect, prevent or minimize the same type of disaster damage from occurring in the future.

For small businesses only, SBA offers EIDLs to help meet working capital needs caused by the disaster. EIDL assistance is available regardless of whether the business suffered any physical property damage.

Interest rates can be as low as 3.125 percent for homeowners and renters and 4.000 percent for businesses with terms up to 30 years. Loan amounts and terms are set by SBA and are based upon each applicant’s financial condition.

To be considered for all forms of disaster assistance, victims must first call the Federal Emergency Management Agency (FEMA) at 1-800-621-FEMA (3362 or online at

[www.fema.gov/assistance/index.shtm](http://www.fema.gov/assistance/index.shtm)

Additional details on the loan application process can be obtained by calling the SBA Customer Service Center at 1-800-659-2955 or at the following website:

<http://www.sba.gov/services/disasterassistance/businessesofallsizes/economicinjuryloans/index.html>

The filing deadline to return applications for physical property damage is **October 25, 2007**. The deadline to return economic injury applications is **MAY 26, 2008**.

## Disaster Response and Recovery

### SBA and U.S. Chamber of Commerce Reach Agreement to Enhance Disaster Response and Recovery

The U.S. Small Business Administration and the U.S. Chamber of Commerce will pool their resources to more effectively respond to major disasters, paving the way for faster recovery in affected communities.

The SBA’s alliance with the Chamber’s Business Civic Leadership Center (BCLC) is part of a continuing effort to broaden the agency’s response capacity in catastrophic disasters.

“This collaboration will establish a larger corps of potential responders, made up of business leaders, the SBA and its resource partners, ready on short notice to help disaster victims rebuild their lives,” SBA Administrator Steve Preston said.

Stephen Jordan, senior vice president and executive director of BCLC, also praised the agreement saying, “This relationship between BCLC and SBA sets a precedent for America’s business community to work with the federal government to prepare for and recover from catastrophic disasters. Both of our organizations are

committed to accelerating the recovery process."

Per the agreement, SBA will provide information on its disaster recovery program and the agency's resource partners (including Women's Business Centers, SCORE, and Small Business Development Centers) to BCLC and local Chambers of Commerce. In addition, SBA will share situation analyses with BCLC and local chambers' during pre-disaster and recovery periods, and share needs and capability assessments in the event of a catastrophic disaster.

To bolster SBA's initial response and post-disaster recovery capacity, the agency will work with BCLC to obtain volunteers who can support the agency's disaster assistance process. SBA will also work with BCLC on research studies on post-disaster economic recovery.

BCLC will contribute to the alliance by providing timely information and on-site updates to the SBA, and helping bolster SBA's disaster assistance capabilities through its members and networks. In addition, BCLC will also work with SBA's resource partners, providing recovery assistance information to the local business community and details on how to prepare for disaster before it strikes.

For the latest news and information on SBA's Disaster Assistance program, visit the Web site at <http://www.sba.gov/services/disasterassistance/index.html>. For information on BCLC and its disaster assistance and recovery program, visit [www.uschamber.com/bclc](http://www.uschamber.com/bclc).



### What is r3?

The Office of Advocacy's Regulatory Review and Reform Initiative, or r3, is designed to identify and address existing federal regulations that should be revised because they are ineffective, duplicative, or out of date. r3 is a tool for small business stakeholders to suggest needed reforms. r3 includes the process under Section 610 of the Regulatory Flexibility Act for agencies to consider whether their current regulations are still needed, and the degree to which technology, economic

conditions, or other factors have changed since their rules were first promulgated. r3 also includes a process by which interested stakeholders can nominate existing regulations for reform, and monitor the progress that agencies make toward achieving those reforms.

### What is the Objective of the r3Program?

The r3 program is intended to help small businesses address the cumulative Federal regulatory burden, which is now estimated to exceed \$1.1 trillion. Through the r3 program, we believe federal agencies will do a better job of identifying and revising rules that need to be reformed.

### How Will the r3 Program Work?

The r3 program has three distinct components: (1) providing tools that will improve federal agencies' compliance with Section 610 of the RFA, leading to a better understanding of the impact of their current regulations on small entities, and (2) developing a process for small business stakeholders to identify current rules that are outdated or ineffective and recommend targeted reforms, and (3) posting the recommended reforms on Advocacy's website and updating the status of reforms twice a year.

### What is the Process for Small Business Stakeholders to Identify Rules as Candidates for Reform?

Stakeholders who are interested in recommending reform of a current rule or regulatory program should provide the Office of Advocacy with a description of the current rule and the reasons why the rule or program should be reformed. Stakeholders also need to describe their recommended reform. After Advocacy receives and reviews a recommendation for reform, Advocacy staff will work with the stakeholder to develop sufficient information to move forward. Initial recommendations for reform are due by December 31, 2007.

### Contact

To suggest reviews and reforms, please call Keith Holman at the Office of Advocacy, 202-205-6936 or email at [advocacy@sba.gov](mailto:advocacy@sba.gov).

## Other Government Agency Information

### Internal Revenue Service (IRS)

The IRS has started a new service, *e-News for Small Business*. Distributed every Wednesday, it brings timely, useful tax information right to your computer, including, but not limited to important upcoming tax dates, what is new on the IRS Web site, reminders with tips to assist businesses with tax compliance and IRS news releases and special IRS announcements.

To start your FREE subscription to e-News, go to [IRS.gov](http://IRS.gov) at [www.irs.gov/businesses/small/content/0,i,d=154826,00.html](http://www.irs.gov/businesses/small/content/0,i,d=154826,00.html), type in your e-mail address and submit.

### IRS & HUD Web Cast

The IRS and US Department of Housing and Urban Development (HUD) are sponsoring a Web cast on October 11, 2-4 p.m. EST that will provide an overview of tax incentives for Renewal Communities (RCs) and Empowerment Zones (EZs) and updates on changes to these incentives. A panel of IRS experts will address employment credits, work opportunity tax credits (WOTC), commercial revitalization deductions (CRD), increased Section 179 deductions, and other incentives.

The Web cast will be available at [www.hud.gov/webcasts](http://www.hud.gov/webcasts) and viewers will need an updated version RealPlayer to view it properly. Viewers can visit this Website in advance of the Web cast to download a free updated version of this software and to test the audio and video on their computers while viewing a portion of any archived HUD Web cast.

To earn two CPE credits, viewers must register for the Web cast by October 5, 2007 at [OCRTaxCredit@hud.gov](mailto:OCRTaxCredit@hud.gov) and view the Web cast in its entirety. Viewers can submit a question for the IRS expert panelists with their registration.

The Web cast has been in the planning stages since the President signed Public Law 110-28, H.R. 2206: U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007 on May 25, 2007. The law provides immediate



increases in tax incentives for employers in Renewal Communities, Empowerment Zones, and rural renewal counties.

The estimated \$11 billion in Federal tax incentives include increased deductions, accelerated depreciation, low-interest loans through facility bonds, tax savings on capital gains, and employment tax credits directed towards employers, investors, business owners, and stockholders that hire local residents, upgrade equipment needs, and build or rehabilitate commercial property in Renewal Communities and Empowerment Zones designated by HUD from nominations submitted by State and local governments.

### Social Security

Social Security's employer website is your first stop for information on W-2s, electronic filing, verifying Social Security numbers, free software, technical specifications and much more. You can register to use Business Services Online (BSO) at any time at [www.socialsecurity.gov/employer](http://www.socialsecurity.gov/employer).

Through BSO, you can stop doing those paper forms for your wage reports (Forms W-2 and W-3) and start doing them online. You also can file the correction forms (W-2c and W-3c) online. All you need is something you probably already have: a computer and an Internet connection. So save yourself some time and effort, turn your entire wage reporting paperwork processes into just a few keyboard clicks.

## Editor's Notes

### TRAINING CALENDAR

Be sure to visit <http://web.sba.gov/calendar/public/index.cfm?op=group&grp=73> for business training opportunities offered by SBA, SCORE, Small Business Development Centers, Women Business Centers, Procurement Assistance Centers and the Wisconsin Procurement Institute.

This site will become your first stop when looking for training sessions, conferences and seminars at the federal level but will also include state, local and private activities when they pertain to small business improvement.

## SBA August 2007 Loans Link

## SBA August 2007 Micro-Loans

**Advocap** - 1 Loan for \$15,000  
**Impact Seven** - 1 Loan for \$7000

## Marketplace 2007 Governors Conference

### Minority Business Development and Minority Business Awards Luncheon

**Thursday, October 11, 2007**

**8:00 am - 4:30 pm**

Ho-Chunk Casino, Hotel &  
Convention Center  
S3214 Highway 12, Baraboo, WI

Reservations:  
1-800-7HOCHUNK  
Mention Marketplace 2007 to  
receive your discounted room.  
Limited time only!

**FOR:**  
MBEs  
Corporations  
Buyers  
Lenders  
Supplier Diversity Managers  
Small Business Development  
Resource Organizations

Marketplace is the premier MBE business capacity building conference of the year and an excellent opportunity for minority business entrepreneurs to make deals, build business capacity and network with buyers and supplier diversity managers.

High-performing minority businesses will be recognized during the Governor's Awards Luncheon. Several SBA personnel will be participating in the Conference and honoring SBA's 2007 Minority Small Business Person of the Year, Norb and Jeff Dretzka, co-owners of *Underground Pipeline, Inc/UPI Manufacturing*

Contact Information:  
Gianna Taylor, Bureau of Minority Business Development.  
Email @ [mbd@commerce.wi.gov](mailto:mbd@commerce.wi.gov)  
Phone: (608) 267-9550.  
Online Registration:  
<http://marketplace.wi.gov/>



**SBA**

**2008**

**SMALL**

**BUSINESS AWARD  
NOMINATION**

Help us recognize outstanding leaders in the small business community. Deadline to nominate is October 5<sup>th</sup>. Contact Mary Trimmier with any questions @ 414-297-1093 or email her @ [mary.trimmier@sba.gov](mailto:mary.trimmier@sba.gov)



## Construction Contractors Matchmaking Event

Join us for the construction event of the year for companies, *either* large or small, interested in growing their business through *prime and government* contract work.

***Tuesday, October 30, 2007***

Country Springs Hotel  
2810 Golf Road  
Waukesha, WI

The State of Wisconsin DOA, WisDOT, City of Milwaukee, City of Madison, Milwaukee County, Dane County, Milwaukee Metropolitan Sewerage District, U.S. Small Business Administration, Naval Facilities Engineering Command Midwest and the Wisconsin Procurement Institute have come together to help small and large businesses involved in all areas of construction. The event includes pre-arranged matchmaking sessions and invaluable information.

Keynote speaker Leroy Butler will talk about team building that will benefit every contractor of the construction industry from the 5 employee environmental firm to the 500 employee general contractor.

**For more information, contact Jason Rathsack at the Wisconsin Procurement Institute at (414) 270-3607 or [jasonr@wispro.org](mailto:jasonr@wispro.org).**